

# **Tennessee Travel Barometer**

(Based on results of TravelScope®)

## **Travel To and Through Tennessee 2004 Annual**

**Prepared by  
The Research Department of the  
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***Travel Industry Association  
of America***

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## INTRODUCTION

This report provides information on U.S. travelers visiting Tennessee in 2004.

Information presented in this report is captured via TravelScope<sup>®</sup>, a national consumer survey conducted monthly, using TNS/National Family Opinion's (NFO) consumer panel of U.S. households. TravelScope is a cooperative research effort, funded by states, cities and other participants and managed by the research department of the Travel Industry Association. Since 1994, TravelScope has collected visitor volume, market share, trip characteristics, and demographics for all U.S. resident travel. For more information on TravelScope, please see the Methodology section of this report.

This report takes a comprehensive look at the unique travel characteristics of Tennessee visitors. Travel as measured in this report is based on trips of 50 miles or more, one way, away from home or trips including one or more nights' stay. These trips do not include trips commuting to/from work or school or trips taken as a flight attendant or vehicle operator. Volume estimates are based either on the number of households traveling (household-trips) or the number of persons traveling (person-trips).

National figures in this report are based on total domestic travel by U.S. resident households originating in the 48 contiguous states and traveling to any of the 50 states.

Appendix A consists of the survey methodology. Appendix B contains the survey questionnaire. Appendix C consists of a Glossary of Terms. Appendix D provides charts of economic/travel indicators for 2004.

**EXECUTIVE SUMMARY**

Over 43.6 million visitors traveled to Tennessee in 2004. This represents a 1.9 percent increase over 2003 travel volume, and outpacing national growth (+1.2%). Tennessee is ranked 11<sup>th</sup> among the 48 contiguous states in total visitor volume.

- Tennessee accounted for 9.7 million person-trips or 22 percent of all travelers in the state. The top states of origin for Tennessee visitors, other than Tennessee, were Georgia (10%), Alabama (9%), Kentucky (8%) and North Carolina (4%).
- Just over 37 million people visited Tennessee for leisure purposes in 2004, a healthy increase of nine percent over the prior year. Visiting friends and relatives was the most popular trip purpose for travelers to Tennessee. It was the primary trip purpose for 41 percent of Tennessee visitors.
- Business travel in Tennessee dropped to 6.4 million trips in 2004, representing a 21 percent decrease from 2003. In contrast, U.S. domestic business travel volume in 2004 rose by 5 percent over the prior year.
- The share of personal auto/truck use in Tennessee was 81 percent in 2004. This was higher than the U.S. average (78%). Seven percent of person-trips to Tennessee were by air in 2004. By comparison, U.S. domestic travelers in general were over twice as likely to travel by air (16%).
- Sixty-two percent of visitors spent one or more nights in the state. The average stay for overnight visitors was 2.9 nights (slightly less than the 3.1 in 2003).
- Thirty-eight percent of Tennessee visitors were day visitors. The incidence of day travel to Tennessee was greater than the U.S. average (23%).
- Sixty percent of Tennessee overnight visitors included a stay in a hotel, motel or B&B. Just over one quarter (27%) stayed in private homes, down from 32 percent in 2003. Four percent included stays in condo/timeshare units, five percent in RV/Tents and eight percent used other accommodations.
- Shopping remains the most popular activity for Tennessee travelers. In 2004, 28 percent of Tennessee person-trips cited shopping as a trip activity. Attending a social/family event (18%), visiting a national/state park (9%) or a historic site/museum (9%) were the next most popular activities.
- In 2004, visitors spent an average of \$288 during their trips to Tennessee. Overnight visitors to Tennessee spent an average of \$306, down from an average of \$331 in 2003. (This does not include transportation costs.)

See next page for a summary of trends and a profile of Tennessee visitors compared to the average U.S. traveler.

## **Trends**

- Overall travel volume to Tennessee increased by 1.9 percent over 2003.
  - Leisure volume increased by nine percent to 37.1 million person-trips; this compares to a two percent increase from 2002 to 2003.
  - Business volume decreased by 21 percent, to 6.4 million person-trips.
- There was little change in shares of travel volume by origin state.
  - Tennessee resident travelers continue to account for 22 percent of total volume share just as it did in 2003.
  - Georgia, Alabama, and Kentucky continue to provide five percent or more each of Tennessee person-trips. Mississippi and Illinois dropped out the top 10 states of origin and replaced by Virginia (4%) and Texas (4%).
- A higher share of person-trips involved visits to friends and relatives.
  - Visiting friends/relatives accounted for 41 percent of person-trips to Tennessee.
  - Fifteen percent of visitors were traveling for business purposes.
- Four out of five person trips to the state were by personal auto/truck.
  - Eighty-one percent of all person-trips to Tennessee were by personal auto/truck.
  - The share of person-trips by air was 7 percent in 2004, versus 10% in 2003.
- The average trip duration for Tennessee visitors dropped slightly since 2003.
  - The average stay for all travelers to Tennessee was 1.8 nights (vs. 1.9 in 2003).
  - The average overnight stay in Tennessee was 2.9 nights (vs. 3.1 in 2003).
- Use of hotels, motels and B&Bs remained constant between 2003 and 2004.
  - Use of hotels, motels and B&Bs has remained steady since 2002 (57%).
  - Twenty-seven percent of person-trips included a stay in a private home in 2004, down from 32 percent in 2003.
- Average spending per household was up slightly.
  - Visiting households spent an average of \$288 in the state in 2004 (vs. \$271 in 2003).
  - Overnight visitors to Tennessee spent an average of \$306 in 2004, down from an average of \$331 in 2003.

## **Profile**

### **Compared to U.S. travelers, Tennessee visitors were:**

- More likely to visit for entertainment purposes (17% TN vs. 14% U.S.) and less likely for outdoor recreation (6% vs. 10%).
- More likely to travel by auto, truck or RV (87% TN vs. 81% U.S.) and less likely to fly (7% vs. 16%) to their destination.
- More likely to use a hotel/motel/b&b (57% TN vs. 47% U.S.).
- More likely to be visiting just for a day (37% TN vs. 24% U.S.).
- Less likely to shop (28% TN vs. 31% U.S.), attend a social/family event (18% vs. 27%) and more likely to visit a national/state park (9% vs. 7%) or visit a zoo/aquarium/science museum (7% vs. 6%).

## 2004 U.S. ECONOMY AND TRAVEL INDUSTRY OVERVIEW

The U.S. economy turned in its best performance in five years in 2004, with real GDP increasing 4.2 percent. Real disposable income and real personal consumption expenditures both rose significantly, 3.4 percent and 3.9 percent, respectively. The U.S. job market also improved during 2004 as annual average total nonfarm employment increased nearly 1.5 million from 2003 to 131.5 million. This reduced the national unemployment rate to 5.5 percent, one-half point lower than in 2003. The travel industry itself added 72 thousands jobs in 2004 as compared to 2003. The Consumer Price Index (CPI), an indicator of the level of price inflation, remained relatively moderate—up 2.7 percent in 2004, while TIA's Travel Price Index increased 4.5 percent during the same period, primarily due to a significant increase in the price of gasoline. The total U.S. current account deficit rose to a record high of \$666 billion in 2004. The U.S. travel industry, however, generated a \$5.8 billion trade surplus for the country in 2004.

### U.S. Travel Volume in 2004

In 2004, traveling households residing in the contiguous 48 states generated 1.164 billion person-trips and 663.5 million household trips. U.S. domestic person-trip volume was up 2.1 percent in 2004 year-over-year. Household trip volume rose 3.1 percent. U.S. domestic leisure travel grew 1.6 percent in 2004 over 2003. Overall, business travel began to rebound after five years of decline, increasing 4.3 percent over 2003. Auto travel was up 0.6 percent over 2003. Air travel posted a significant increase of 9.3 percent over that time.

### Travel Expenditures in 2004

Domestic travelers spent more than \$524.4 billion in the U.S. during 2004, an increase of 6.8 percent over 2003. International traveler expenditures in the U.S., excluding spending on international airfares purchased outside the U.S., increased more than twice as much, up 15.9 percent to total \$74.8 billion in 2004.

Comparing the 2004 overall Travel Price Index (TPI) with 2003 shows that the cost of travel grew at a higher rate than the Consumer Price Index over the same period (+4.5% vs. +2.7%). Motor fuel prices increased the most (+18.1%) in 2004, followed by the overall cost of transportation (+7.0%) and intracity public transportation fares (+5.9%). Airline fares continued to decline (-1.8%), along with other intercity transportation prices (-2.4%). Lodging costs increased (+5.2%). Recreation services (+1.0%) and food and beverage (+3.0%) prices continued to show modest increases.

Over the past decade, travel prices have risen more than consumer prices overall. Comparing TIA's 2004 TPI with that of 1994 shows that the cost of travel increased at a greater rate than did the Consumer Price Index over the same time frame (+33.3% vs. +27.3%). While TIA's 2004 overall TPI of 210.2 rose 33.3 percent over 1994, motor fuel prices (+62.0%) showed the largest increase out of the eight travel price measures. The next largest increases in prices over 1994 were for the overall cost of transportation (+38.5%), intracity public transportation (+36.7%), and lodging (+35.7%). Other intercity transportation is the only measure that showed a decline during this time (-4.3%).

### **Travel Employment in 2003-04**

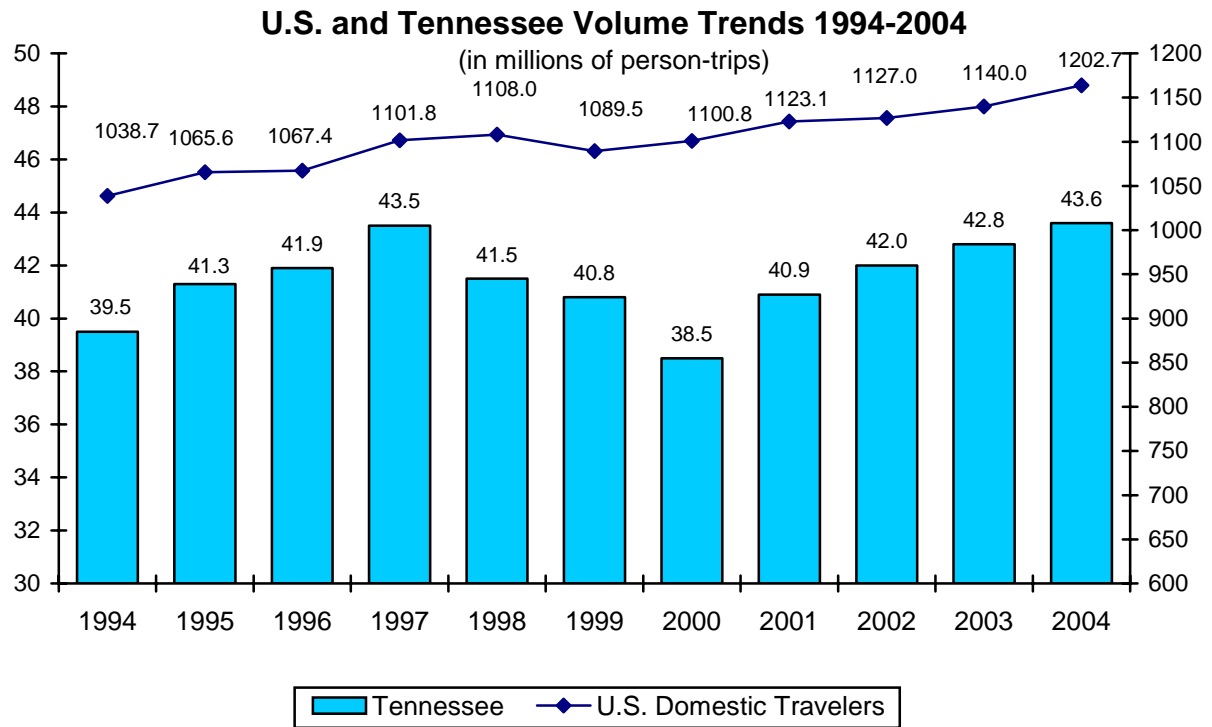
Nearly 1.5 million jobs were added to the non-farm sector of the strengthening U.S. economy in 2004, a 1.1 percent up from 2003, according to the U.S. Bureau of Labor Statistics (BLS). This reduced the national unemployment rate fell to 5.5 percent from 6.0 percent in 2003. Employment generated by domestic and international traveler spending in the U.S. increased 1.0 percent during 2004.

Examining just employment related to domestic travel expenditures, the greatest gain occurred in the entertainment/recreation sector, with employment up 1.1 percent. Employment related to auto transportation and lodging increased 0.8 percent each in 2004. Employment generated by domestic travel in the travel planning sector (i.e., the travel agent and travel arrangement industry), however, declined 4.1 percent in 2004, the most severe decline among all travel industry sectors. Employment in the public transportation sector (composed primarily of the airline industry) continued to decline as well, down 2.3 percent from 2003.

## VISITOR VOLUMES

### Trends

Close to 44 million visitors traveled to Tennessee in 2004. This was a two percent increase over 2003 travel volume, similar to the 2.1 percent increase seen nationally.



Tennessee's share of total U.S. travel volume is 3.6 percent. Tennessee continues to rank 11<sup>th</sup> among all states in share of U.S. domestic visitor volume.

### Tennessee Domestic Travel Volume Share

Year	Volume (in millions)	Share of U.S. Domestic Travel	State Rank
1997	43.5	3.9%	11
1998	41.5	3.7%	12
1999	40.8	3.8%	12
2000	38.5	3.6%	12
2001	40.9	3.7%	12
2002	42.0	3.8%	12
2003	42.8	3.8%	12
2004	43.6	3.6%	11

### **Quarterly Volume Shares**

Tennessee quarterly travel patterns were fairly stable with a slight shift toward the second quarter in 2004. Tennessee had the highest travel volume in the second and third quarters of 2004 with 28% of the total person-trips occurring in each of these quarters. About a quarter of visitors traveled to the state in each of the first three quarters of 2004. The fewest (18%) visitors traveled to Tennessee in the first quarter of 2004.

The share of domestic U.S. travel volume by quarter remained consistent in 2004.

#### **U.S. Domestic/Tennessee Quarterly Visitor Volume Shares**

<b>Timeframe</b>	<b>U.S. Domestic</b>			<b>Tennessee</b>		
	<b>2003 share of person-trips</b>	<b>2004 share of person-trips</b>	<b>Percentage point chg.</b>	<b>2003 share of person-trips</b>	<b>2004 share of person-trips</b>	<b>Percentage point chg.</b>
QUARTER 1 (Jan., Feb., Mar.)	19%	19%	0.0	19%	18%	-1.0
QUARTER 2 (Apr., May, Jun.)	26	26	0.0	26	28	+2.0
QUARTER 3 (Jul., Aug., Sep.)	30	30	0.0	28	28	0.0
QUARTER 4 (Oct., Nov., Dec.)	25	24	0.1	27	26	-1.0

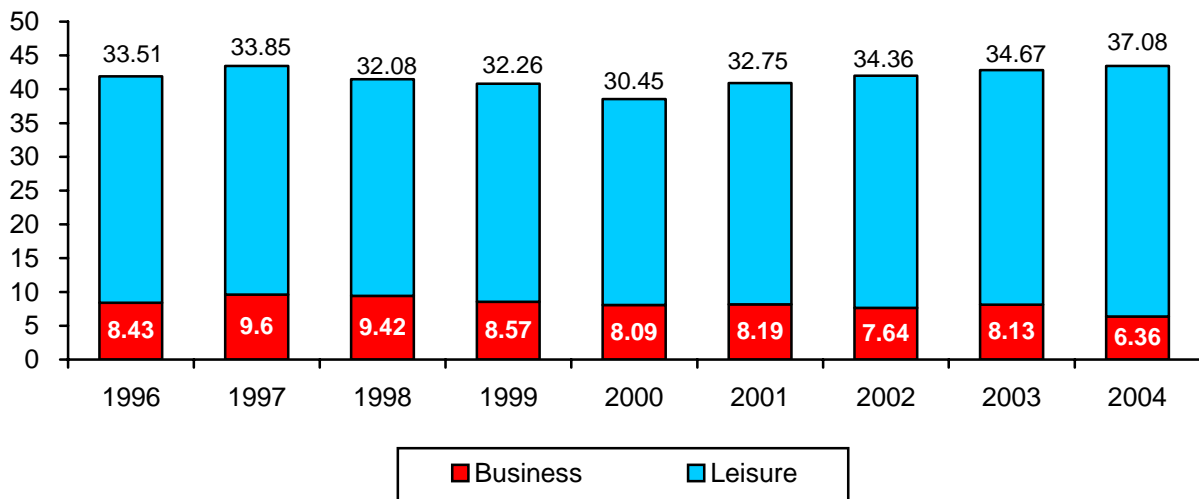
### **Business and Leisure Volumes**

Just over 37 million people visited Tennessee for leisure purposes, a strong increase of about eight percent over the prior year.

Business travel in Tennessee declined to 6.4 million trips in 2004. This represents a reduction of 21 percent over 2003. In contrast, U.S. domestic business travel volume in 2004 increased by 2.9 percent over the prior year. U.S. domestic business travel had its first increase in 2004 after a steady decline since 1998.

#### **Tennessee Business and Leisure Visitor Volume**

(in millions of person-trips)



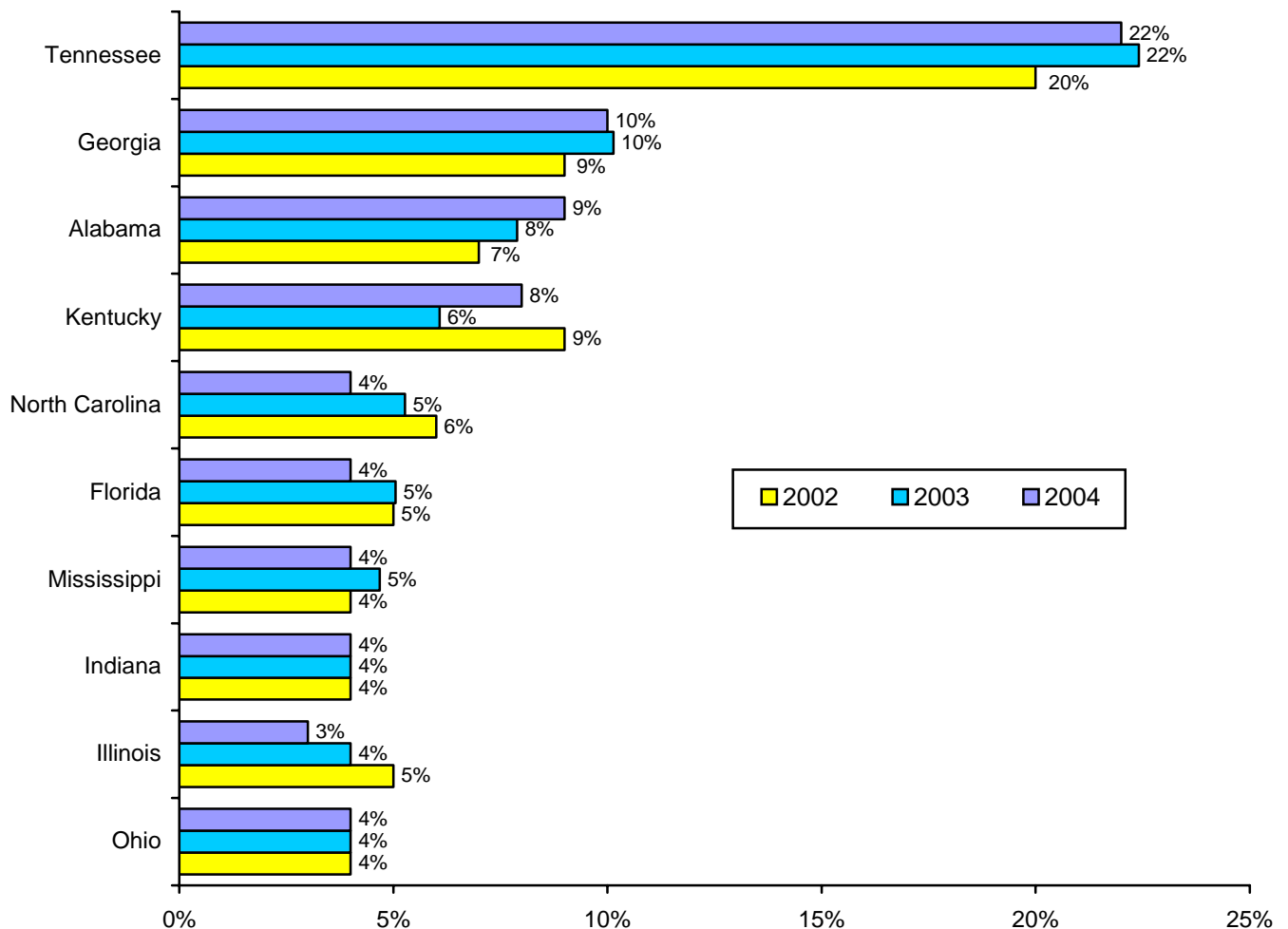
## TOP MARKETS

### Top States of Origin

The largest single state of origin for Tennessee visitors was Tennessee itself. Tennessee travelers took 9.7 million person-trips, or 22 percent of all person-trips in the state. In 2004, like in 2003, no other individual state accounted for more than 10 percent of Tennessee visitors.

The top states of origin for out-of-state visitors to Tennessee were Georgia (10%), Alabama (9%), Kentucky (8%) and North Carolina (4%). These four states provided, in total, 13.8 million person-trips, or 31 percent of Tennessee visitors in 2004. Virginia (4%) and Texas (4%) replaced Mississippi and Illinois in the top 10 states of origin. (MS and IL remain in the chart for consistency.)

**Top 10 States of Origin for Tennessee Visitors**  
(percent of person-trips)

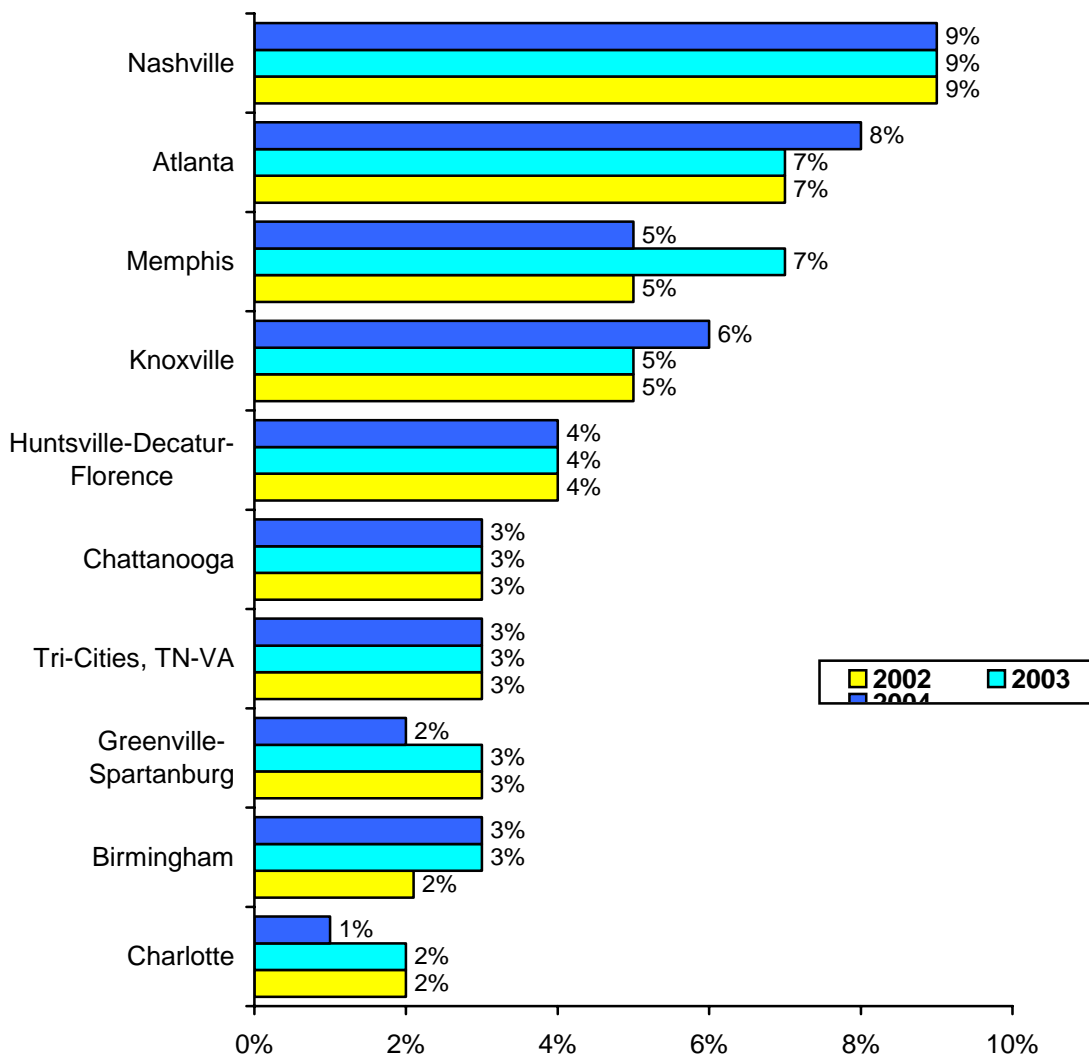


### Top DMAs of Origin

Nashville maintained its position as top origin DMA for Tennessee travelers, providing nine percent of all person-trips in the state. Other top origin cities within the state included Memphis (5%) and Knoxville (6%). Paducah (3%) and Cincinnati (3%) replace Greenville-Spartanburg (2%) and Charlotte in the top 10 DMAs.

Top origin DMAs outside Tennessee included Atlanta (8%), Huntsville-Decatur-Florence (4%), Tri-Cities, TN-VA and Birmingham (both 3%). In total, these four markets provided 18 percent of person-trips to Tennessee in 2004.

**Top DMA of Origin for Tennessee Visitors**  
(percent of person-trips)



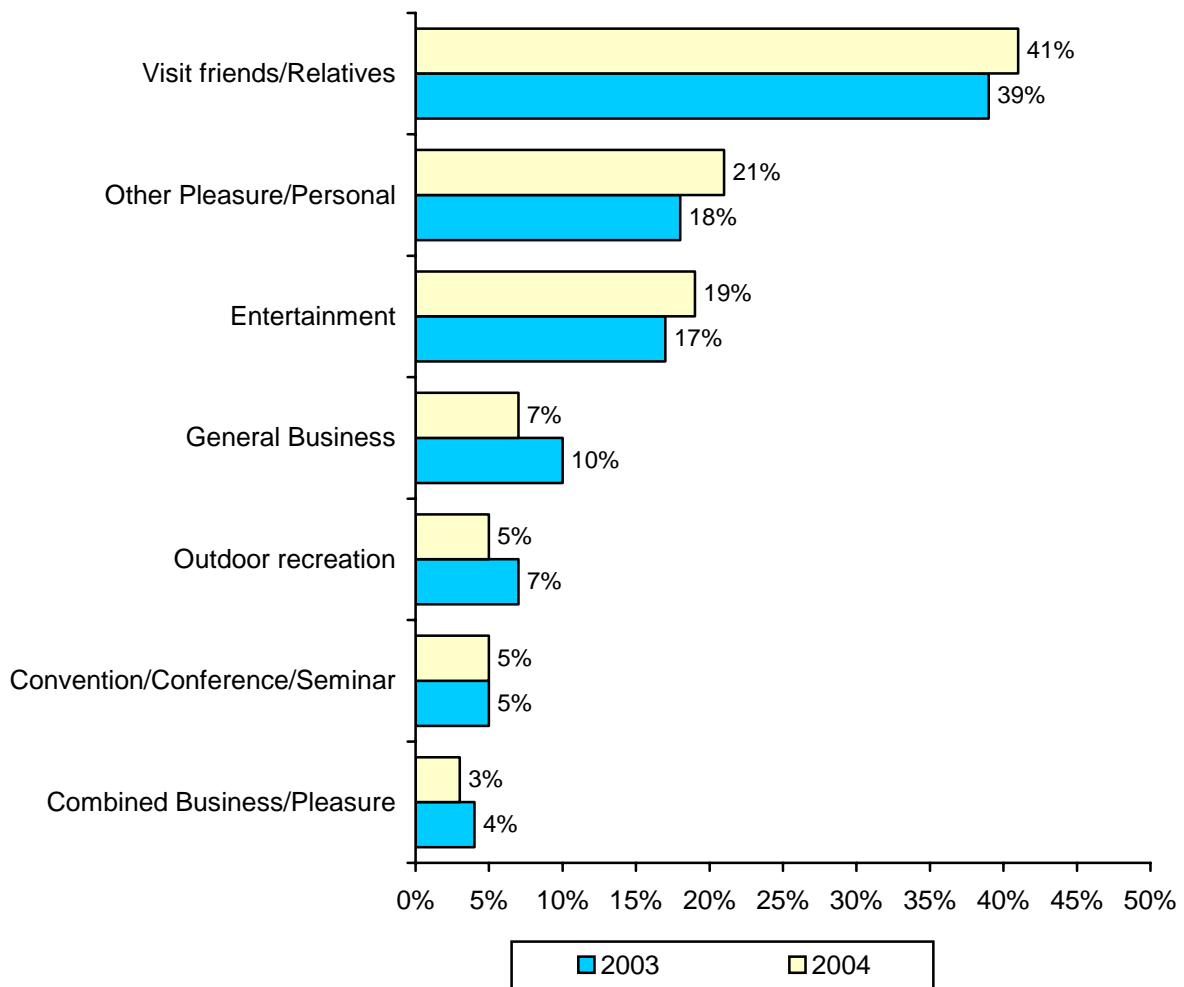
**TRIP CHARACTERISTICS****Primary Purpose**

Visiting friends and relatives continues to be the most popular trip purpose for travelers to Tennessee. It was the primary purpose of trip for two out of five visitors to Tennessee in 2004, while one out of five visitors came to the state for entertainment. Another 21% traveled to Tennessee for other pleasure or personal reasons.

Seven percent of person-trips to Tennessee were for general business purposes. Attending conventions, conferences or seminars accounted for 5 percent of total travel volume while 3 percent of travelers combined business and pleasure travel.

**Primary Purpose of Trip for Tennessee Visitors**

(percent of person-trips)

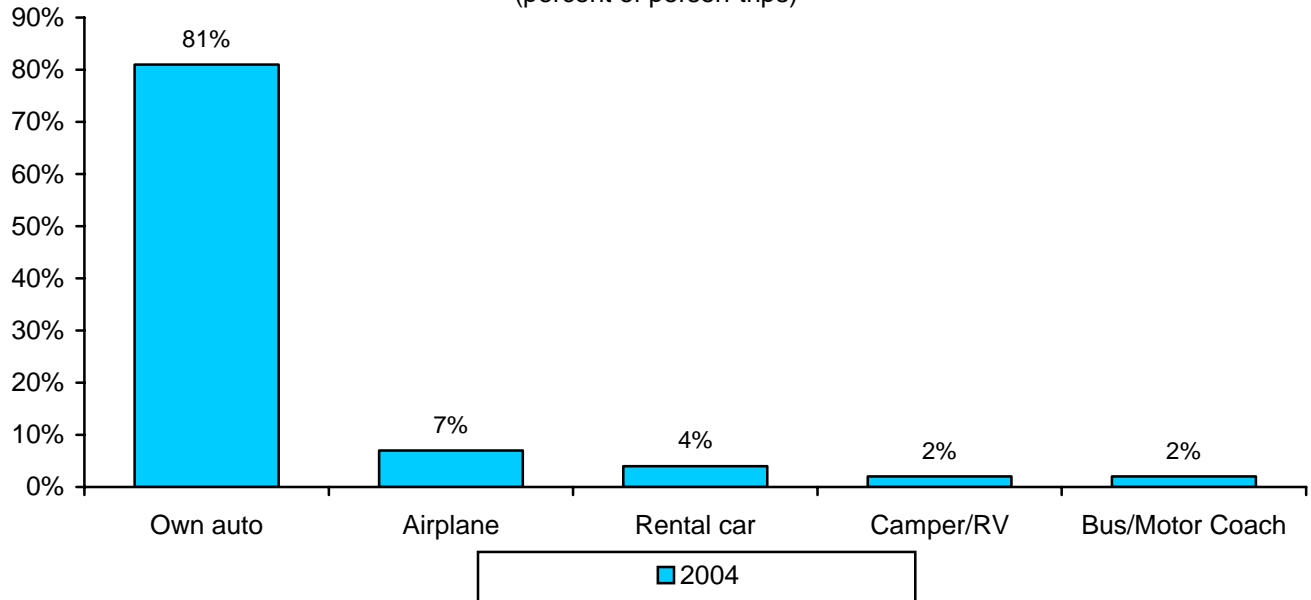


**Primary Mode of Transportation**

The share of person-trips taken by personal auto was 81 percent in 2004. This was higher than the U.S. average (74%). Air travel to Tennessee accounted for 7 percent of person-trips. The share of Tennessee trips taken by air was lower than the U.S. average (16%). Eight percent of visitors to Tennessee traveled by other means, such as rental car, bus or motor coach, as primary modes of transportation. Thirty-seven percent of visitors to Tennessee indicated using a rental car as their secondary mode of transportation

**Primary Mode of Transportation for Tennessee Visitors**

(percent of person-trips)



### **Travel Party Composition**

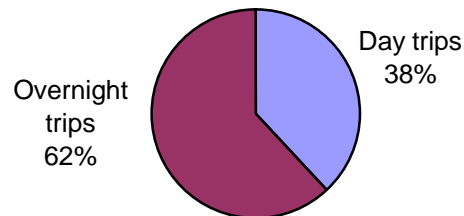
The average travel party to Tennessee included 2.2 people from the household. (Note: other people not from the household may have been on the same trip.)

More than one quarter (28%) of Tennessee visitors traveled with children. Among those who traveled with children, 1.9 children were included on the trip.

### **Trip Duration**

Thirty-eight percent of Tennessee person-trips were day-trips in 2004. This share compares to that of day-trips in the U.S. of 24%. Tennessee visitors stayed an average of 1.8 nights in the state.

**Trip Duration in Tennessee, 2004**  
(percent of person-trips)



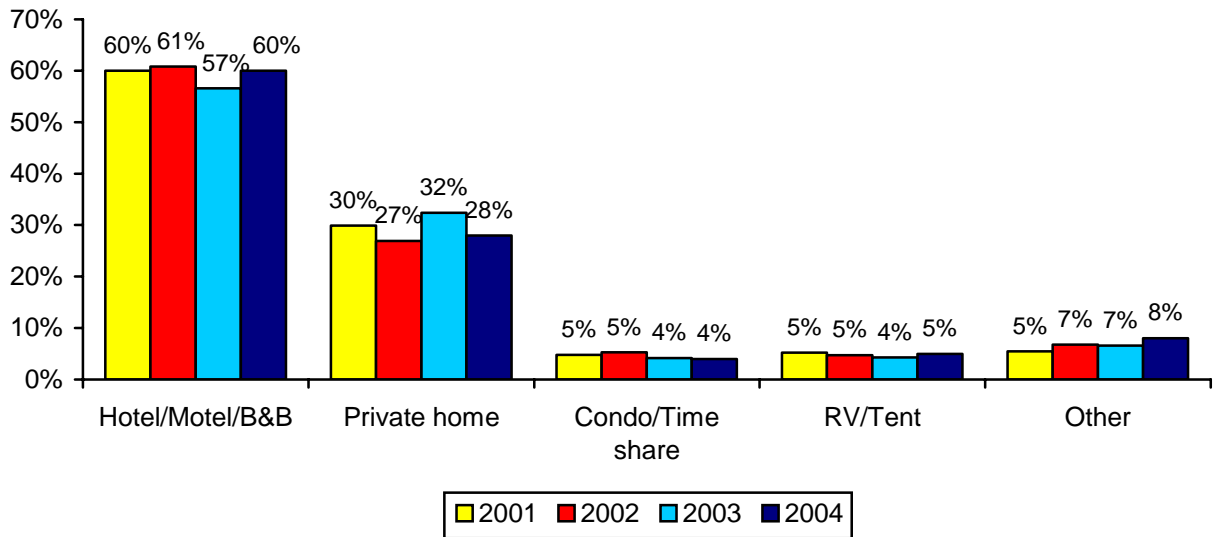
Sixty-two percent of Tennessee person-trips included one or more nights in the state. The average stay for overnight visitors was 2.9 nights. Seventeen percent of visitors stayed one night in the state. One in four (28%) of visitors took short trips of 2-3 nights. Another 15 percent took medium-length trips (4-9 nights). One percent of visitors remained for extended visits of 10 or more nights.

<b>Trip Duration in Tennessee</b> (based on person-trips)						
	1999	2000	2001	2002	2003	2004
<b>Average overnight stay in TN</b> (excluding day-trips)	3.0	3.2	3.0	3.0	3.1	2.9

### **Overnight Lodging Use**

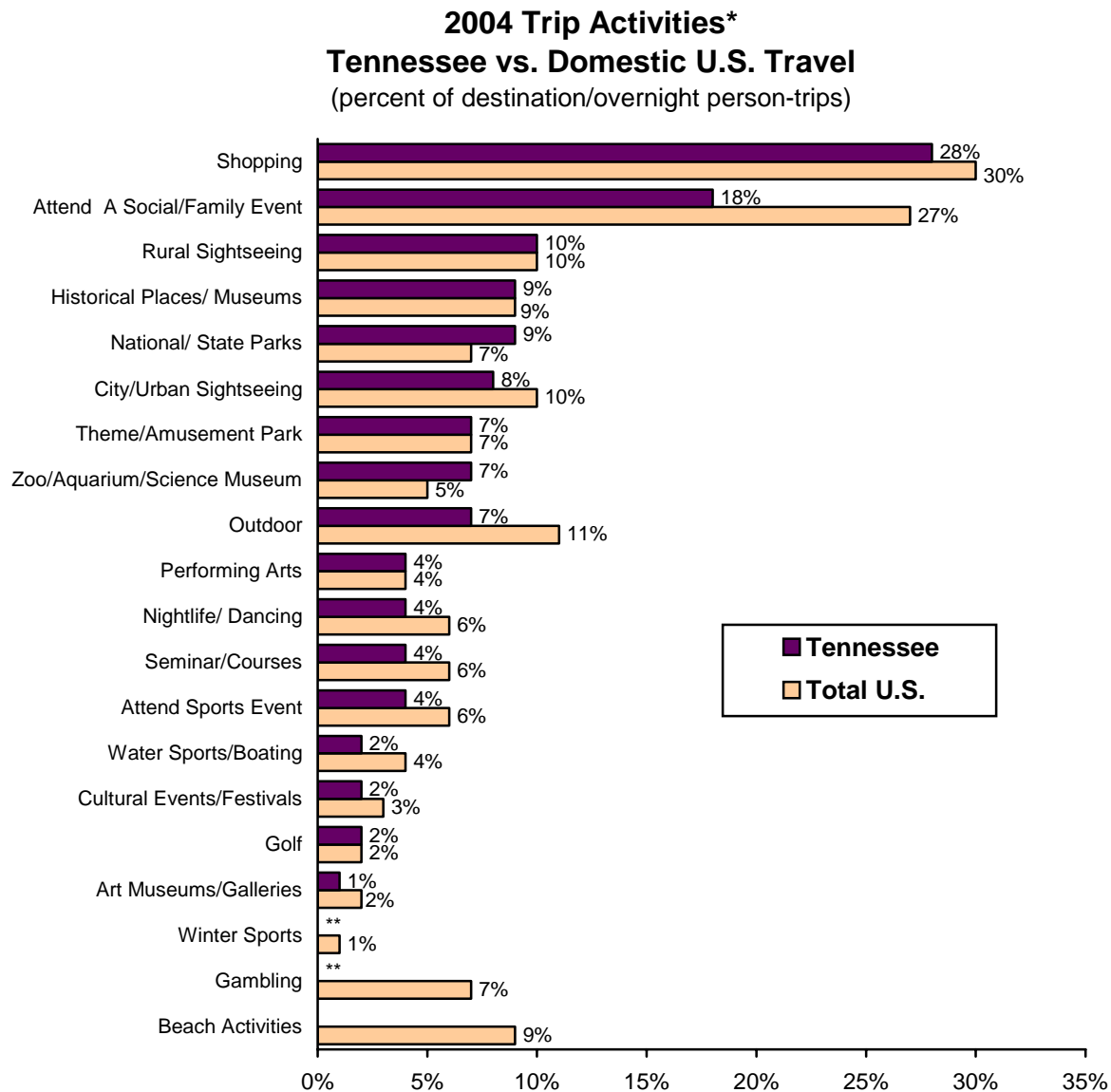
Fifty-seven percent of Tennessee overnight person-trips included a stay in a hotel, motel or B&B in 2004. Just over one-fourth (27%) included a stay in private homes, down from 32 percent in 2003. Four percent included stays in condo/timeshare units. Five percent included RV/Tents and seven percent used other accommodations.

**Overnight Lodging Use in Tennessee**  
(percent of overnight person-trips)



### Trip Activities

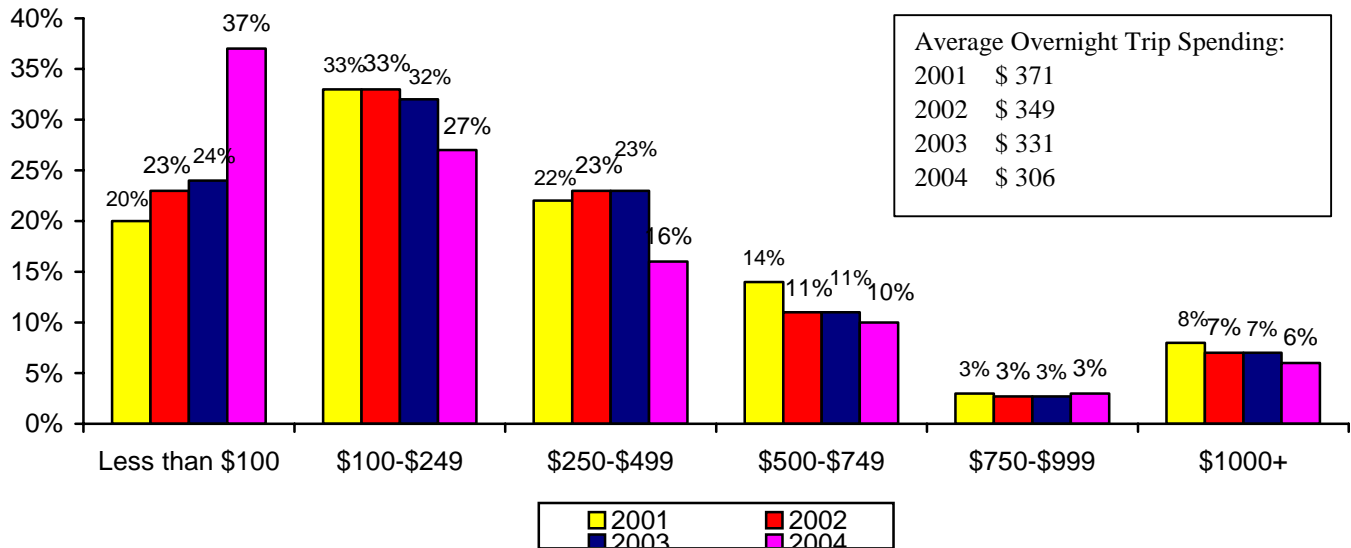
The top activities for visitors to Tennessee in 2004 are the same top activities specified in 2003. Shopping remains the most popular activity for Tennessee travelers, as it is for all domestic U.S. travelers. In 2004, 28 percent of Tennessee person-trips included shopping as a trip activity. Attending a social/family (18%) and rural sightseeing (10%) were the next most popular activities in Tennessee. This was similar to popular activities seen nationally. City/urban sightseeing (8%), visiting historical places/museums (9%), and the zoo/aquarium/science museum (7%) are other popular activities. National State Parks (9%) and outdoor recreation (7%) both increased in popularity over 2003.



### Overnight Trip Spending

Visiting households spent an average of \$288 during their trips in Tennessee, down from \$331 in 2003. (This does not include transportation costs.) One in three (37%) visiting households spent less than \$100, while another 27 percent spent between \$100 and \$250 in 2004. Sixteen percent visiting households spent between \$250 and \$499. Nineteen percent of visiting households spent \$500 or more.

**Overnight Trip Spending in Tennessee**  
(percent of household-trips)

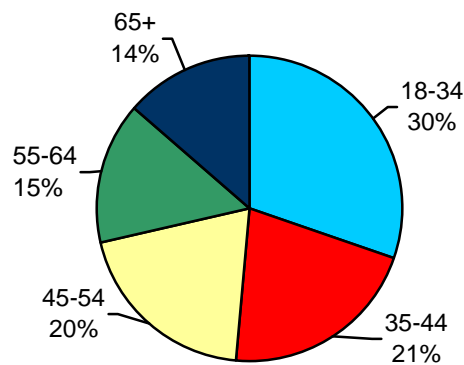


**VISITOR PROFILE****Age**

The average age of Tennessee visiting households was 46 in 2004, the same age as 2003. Almost one-third of trips (30%) were taken by households between 18 and 34 years old. One out of two adult visitors is under the age of 45.

**Age of Tennessee Visitors, 2004**

(percent of household trips)



Average  
Age: 46

**Household Size**

One in five (22%) Tennessee visiting households were single-person households. Over a third (36%) was from households with two members. Forty-two percent of visiting households had three or more members.

**Children in Household**

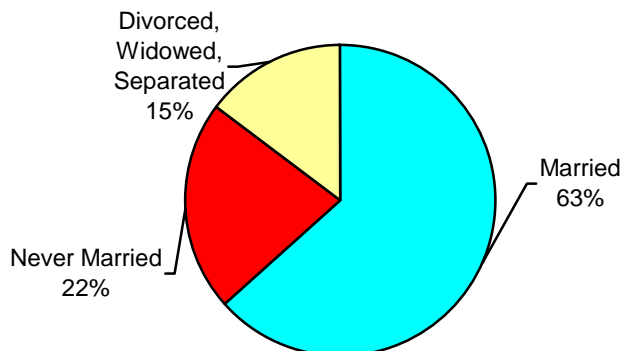
Sixty-seven percent of trips to Tennessee in 2004 were taken by households without children. Households with one or two children accounted for 28 percent of Tennessee trips. Five percent of trips to Tennessee were from households with more than two children. In households that included children, there were on average 1.7 children in the household.

### **Marital Status**

Sixty-four percent of trips to Tennessee were taken by married households, 22 percent were taken by those never married, and 15 percent were taken by those who were divorced, widowed or separated.

#### **Marital Status of Tennessee Visitors in 2004**

(percent of household trips)



### **Employment**

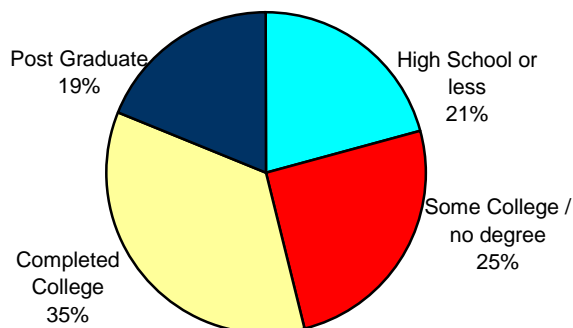
Seventy-three percent of households visiting Tennessee in 2004 were employed full time. Six percent were employed part time, 15 percent were retired and 5 percent were unemployed.

### **Education**

Sixty percent of Tennessee trips were taken by households with either some college education (25%) or a college degree (35%). Household heads with a high school education or less accounted for 21 percent of trips. Nearly one in five (19%) Tennessee visiting households in 2004 were highly-educated households with a post-graduate education. There was no change in the education profile of Tennessee visitors from 2003 to 2004.

#### **Education of Tennessee Visitors, 2004**

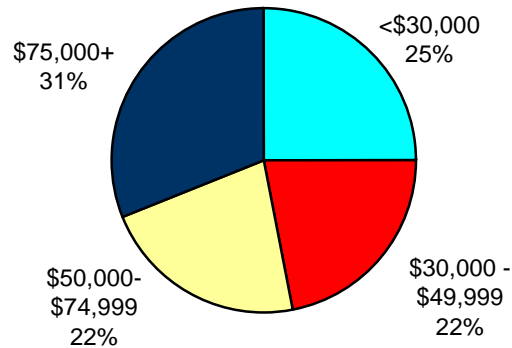
(percent of household trips)



## Income

The average income of households visiting Tennessee was \$62,999 in 2004. This is a slight reduction from 2003 and is lower than the average for domestic U.S. traveling households (\$70,300). One out of three visitors to Tennessee is affluent with an annual household income of \$75,000 or more.

**Income of Tennessee Visitors, 2004**  
(percent of household trips)



Average (mean) income	
2003	\$65,400
2004	\$62,999

## Lifestage

Almost half (43%) of households visiting Tennessee were in the Parents lifestage. Couples accounted for 32 percent of trips. One-fourth (25%) of trips were taken by households in the Singles and Roommates lifestages. (See Appendix C for definitions of Lifestage groups.)

**Lifestage of Tennessee Visitors, 2004**  
(percent of household trips)

<b><u>Singles</u></b>	<b>22%</b>
Young Singles	11%
Middle Singles	7%
Older Singles	4%
<b><u>Couples</u></b>	<b>32%</b>
Young Couple	12%
Working Older Couple	12%
Retired Older Couple	8%
<b><u>Parents</u></b>	<b>43%</b>
Young Parent	14%
Middle Parent	12%
Older Parent	17%
<b><u>Roommates</u></b>	<b>3%</b>

### **PRIZM clusters**

PRIZM is a geodemographic segmentation system developed from U.S. census demographic data by Claritas, Inc. Households are grouped into “clusters” that exhibit similar demographic and behavioral characteristics. Six categories of variables explain most of the differences: social rank (including income and education), household composition, mobility, ethnicity, urbanization and housing. See appendix C, Glossary of Terms, for more detailed descriptions of the above social groups and clusters.

When examining the 62 PRIZM clusters and the 15 social groups within which these clusters fall, we find that Tennessee visitors come mostly from mid-tier socioeconomic groups, but also include less affluent households. The social groups with the highest shares of households visiting Tennessee include the higher-income Landed Gentry (17%), moderate income Country Comfort (16%), the blue collar Rustic Living (15%) and Middle America (15%) social groups.

#### **Top PRIZM Social Groups for Tennessee Travel, 2004**

(percent of household-trips)

<b><u>Group</u></b>	<b><u>Composition</u></b>	<b><u>Percent</u></b>
Landed Gentry	Moderately high to high income, exurban/town families	17%
Country Comfort	Moderately high to high income, exurban/town families	16
Rustic Living	Moderate or moderately low income, mostly blue collar	15
Middle America	Moderate low income, mostly blue collar/service	15

The top visitor cluster in 2004 was Fast Track Families, providing seven percent of person-trips. This cluster is part of the Landed Gentry social group. The Big Fish, Small Pond cluster, of moderate affluence, provided another four percent of person-trips. New Homesteaders, Traditional Times, and Big Sky Families were all middle to moderate income from the Middle America social group and were all relatively equal in contribution to Tennessee visitors. Fewer of the lowest income clusters appeared in 2004 compared to 2003.

#### **Top PRIZM Clusters Visiting Tennessee, 2004**

(percent of household-trips to Tennessee)

<b><u>Social Group</u></b>	<b><u>Cluster</u></b>	<b><u>Percent</u></b>	<b><u>Affluence Level</u></b>
Landed Gentry	Fast Track Families	7%	Lower middle
Landed Gentry	Big Fish, Small Pond	4	Affluent
Country Comfort	New Homesteaders	4	Middle
Country Comfort	Traditional Times	4	Middle
Rustic Living	Back Country Folks	4	Poor
Middle America	Heartlanders	4	Lower middle
Middle America	Simple Pleasures	4	Middle
Country Comfort	Big Sky Families	4	Middle
Landed Gentry	Country Squires	3	Affluent

**Summary Table of Visitor Profile**

<b><u>2004 Annual</u></b>	<b><u>U.S.</u></b>	<b><u>Tennessee</u></b>
<b><u>Total Projected Household Trips</u></b>	<b>663,542</b>	<b>23,697</b>
<b><u>Age of Household Head</u></b>		
18-34	29%	30%
35-54	41	40
55+	30	29
Average (mean) age	46	46
<b><u>Household Size</u></b>		
One person	22%	22%
Two people	34	36
Three people	17	17
Four or more people	26	25
<b><u>Children in Household</u></b>		
None	66%	67%
One	15	15
Two	13	13
Three or more	6	5
<b><u>Marital Status</u></b>		
Married	62%	64%
Never married	23	22
Divorced, Widowed, Separated	15	15
<b><u>Employment</u></b>		
Full time	73%	73%
Part time	7	6
Retired	14	15
Not employed	6	5
<b><u>Education</u></b>		
High school education or less	18%	21%
Some college – no degree	23	25
Completed College	39	35
Post graduate work	20	19
<b><u>Annual Household Income</u></b>		
Less than \$50,000	42%	47%
\$50,000-\$74,999	21	23
\$75,000 or more	37	31
Mean	\$70,987	\$62,999
<b><u>Lifestage</u></b>		
Singles	22%	22%
Couples	33	32
Parents	41	43
Roommates	4	3

Demographics are for the head of household.  
Details may not add to 100% due to rounding.

**Summary Table of Visitor Profile** *continued*

<b><u>2004 Annual</u></b>	<b><u>U.S.</u></b>	<b><u>Tennessee</u></b>
<b><u>PRIZM Social Cluster</u></b>		
Landed Gentry	14%	17%
Country Comfort	12	16
Rustic Living	9	15
Middle America	10	15
Middleburb	6	7
The Affluentials	9	6
City Center	7	6
Elite Suburbs	7	4
2nd City Society	7	4
Micro-city Blues	4	3
Urban Uptown	8	3
Inner Suburbs	3	2
Midtown Mix	3	2
Urban Cores	2	1

Demographics are for the head of household.

**COMPETITIVE STATES**

This section of the report compares travel characteristics of Tennessee visitors to those of visitors to other states, including North Carolina, Georgia, Alabama and Kentucky.

**Visitor Volume**

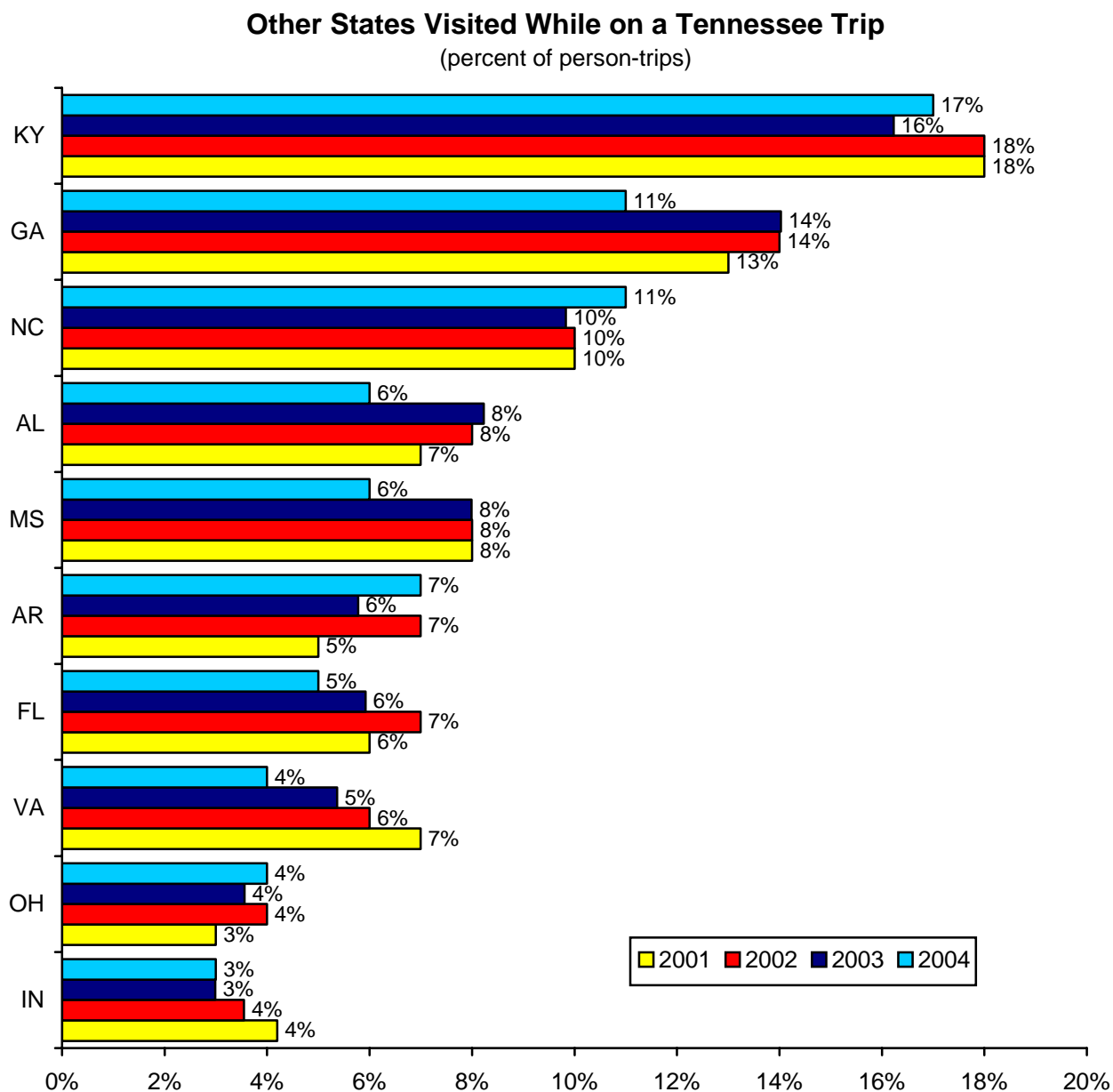
Tennessee with over 43 million visitors ranked third in volume among the competitive states in 2004. North Carolina had the highest travel volume (49 million), followed by Georgia (46 million). Kentucky and Alabama had lower travel volumes at 26 million and 25 million visitors respectively.

	<b>2004</b>
	<b>Visitor Volumes</b>
	<u>(in person trips)</u>
<b>North Carolina</b>	49,170,000
<b>Georgia</b>	46,216,000
<b>Tennessee</b>	43,644,000
<b>Kentucky</b>	26,318,000
<b>Alabama</b>	25,400,000

### **Competitive States also Visited by Tennessee Travelers**

Not all Tennessee person-trips are just to Tennessee. Of the 44 million person-trips to Tennessee in 2004, 42 percent included Tennessee as the only destination on their trip. One quarter (24%) visited Tennessee and one other state. A sizable share (34%) visited Tennessee plus two or more other states.

Almost one in six (17%) Tennessee visitors also visited Kentucky on the same trip, and eleven percent also visited Georgia and North Carolina while on their trip to Tennessee.



### **Share of Competitive State Travelers that also Visit Tennessee**

What holds true for Tennessee travelers also holds true for competitive states. Significant portions of visitors to competitive states visit Tennessee on the same trip. Of all visitors to Kentucky, 28 percent (or 7.3 million) also visited Tennessee. Ten percent of Georgia's 46 million visitors, 10 percent of Alabama's 25.0 million visitors, and nine percent of North Carolina's 49.3 million visitors also visited Tennessee on the same trip.

#### **Competitive States' Visitors Also Visiting Tennessee, 2004** (in millions of person-trips)

<b>Visitors to:</b>	<b>Total Volume</b>	<b>Percent Also Visiting Tennessee</b>	<b>Volume Also Visiting Tennessee</b>
<b>Kentucky</b>	26.3	28%	7.3
<b>Georgia</b>	46.2	10%	4.7
<b>North Carolina</b>	49.2	9%	4.6
<b>Alabama</b>	25.4	10%	2.5

### **Trip Characteristics**

Some differences emerge when comparing the characteristics of 2004 travel to the five competitive states.

#### **Purpose of Trip**

Across all competitive states, roughly eighty percent of person-trips were for leisure purposes and around one in six person-trips were taken for business purposes. Person-trips for leisure ranged from 79% to 85% person-trips (TN 85%). Person-trips for business purposes ranged from 12% to 15% (TN 12%).

#### **Mode of Transportation**

The majority of travel to each of these states (over three quarters of person-trips) was by auto, truck or RV. Georgia had a significantly higher share of air travel (16%) than the other states (7%-10%), likely related to its large share of business travel. Rental car usage as a primary mode of transportation (4%-5%) in four of five states was higher than the national average (3%).

## Trip Duration

Average in-state trip duration for competitive states ranged from 1.4 to 2.2 nights. North Carolina had the longest average in-state trip duration (2.2 nights). Kentucky had the shortest average in-state trip duration (1.4 nights).

Average in-state trip duration for overnight person-trips ranged from 2.9 to 3.7 nights. North Carolina had the longest average in-state overnight trip duration (3.7 nights). The shortest average overnight stays occurred in Georgia (3.1 nights).

### Trip Duration of Competitive State Visitors, 2004

	<b>In-State</b> (including day trips)	<b>In-State Overnight</b> <b>Duration</b>
Tennessee	1.8	2.9
Alabama	1.8	3.6
Georgia	1.7	3.1
Kentucky	1.4	3.2
North Carolina	2.2	3.7

## Lodging Use

Hotels, motels and B&Bs were the most frequently used lodging type on overnight trips to all five states. Tennessee had the highest share of hotel/motel/B&B trips by overnight travelers (57%). North Carolina and Kentucky had the lowest share of hotel/motel/B&B trips (both 44%). North Carolina had the highest share of private home use (40%). Alabama had the highest share of condo/timeshare use (18%), followed closely by Tennessee and North Carolina (both at 16%).

## Trip Activities

Shopping was the most popular activity on trips in four of the five states. Tennessee visitors were more likely to include shopping (28%), rural sightseeing (10%), and visits to historic sites museums (9%), visits to national/state parks (9%), city /urban sightseeing (8%), visits to zoo/aquarium/science museum (7%), and visits to a theme/amusement park than competitive state visitors.

## Trip Spending

Households visiting North Carolina spent the most on their trip (\$318) followed by households visiting Georgia (\$267), Tennessee (\$273), and Alabama (\$241). Households visiting Kentucky had the lowest average in-state trip spending (\$213). (Trip spending does not include transportation costs.)

**Summary Table of Trip Characteristics**

<b><u>2004 Annual</u></b>	<b><u>U.S.</u></b>	<b><u>TN</u></b>	<b><u>AL</u></b>	<b><u>GA</u></b>	<b><u>KY</u></b>	<b><u>NC</u></b>
<b><u>Total Projected Person-Trips</u></b> (in thousands)	<b>1,202,736</b>	<b>43,644</b>	<b>25,400</b>	<b>46,216</b>	<b>26,318</b>	<b>49,170</b>
<b><u>Regions Visited*</u></b>						
East South Central	8%	100%	100%	21%	100%	11%
South Atlantic	22	28	33	100	16	100
East North Central	15	12	2	3	34	2
West South Central	11	9	11	3	2	1
West North Central	10	4	1	1	5	1
Mid-Atlantic	12	1	^	2	2	5
Mountain	11	^	^	1	^	^
Pacific	15	^	^	1	^	^
New England	5	^	^	^	^	1
<b><u>States Visited</u></b>						
Tennessee	4%	100%	10%	10%	28%	10%
Kentucky	2	17	3	3	100	2
Georgia	4	6	17	100	6	10
North Carolina	4	5	1	11	3	100
Mississippi	2	7	20	2	1	^
Alabama	2	3	100	9	3	^
Percent Also Visiting Other States	27%	58%	57%	57%	63%	52%
<b><u>Primary Purpose of Trip</u></b>						
Leisure(net)	82%	85%	81%	79%	83%	84%
Business/Convention (net)	14	12	15	17	14	14
Combined Business/Pleasure	4	3	4	4	3	3
<b><u>Primary Mode of Transportation</u></b>						
Auto/truck/camper/RV	73	83%	81%	74%	85%	81%
Air	18	7	8	16	7	10
Rental car	3	4	4	5	4	4
Other	6	6	6	5	4	5

\* Multiple responses allowed.

^ Less than 1%.

May not add to 100% due to rounding.

## Summary Table of Trip Characteristics continued

<u>2004 Annual</u>	<u>U.S.*</u>	<u>TN</u>	<u>AL</u>	<u>GA</u>	<u>KY</u>	<u>NC</u>
<b><u>Total Projected Person-Trips</u></b>	<b>1,163,947</b>	<b>43,644</b>	<b>25,400</b>	<b>46,216</b>	<b>26,318</b>	<b>49,170</b>
<b><u>Trip Duration</u></b>						
No Overnight in State	23%	38%	48%	41%	53%	38%
Avg. Number of Nights (entire trip)	3.2	3.7	3.7	4.1	3.6	3.9
Avg. Number of Nights (in state)	NA	1.8	1.8	1.7	1.4	2.2
Percent of Trip Spent in State	NA	47%	49%	43%	39%	57%
<b><u>Lodging Use (overnight person-trips)*</u></b>						
Hotel/Motel/Bed & Breakfast	47%	57%	44%	52%	55%	44%
Private Home	36	27	38	35	31	40
Other	17	16	18	13	14	16
<b><u>Trip Expenditures*</u></b>						
Average Trip Spending***	\$472	\$273	\$241	\$267	\$213	\$298
<b><u>Activities Participated In*</u></b>						
Shopping	31%	28%	21%	21%	16%	23%
Attend a Social/Family Event	27	18	21	17	18	20
Outdoor	11	7	5	5	5	9
City/Urban sightseeing	11	8	4	7	5	6
Rural sightseeing	10	10	5	6	7	9
Beach Activities	10	**	7	3	**	12
Historic Places, Sites, Museums	9	9	4	6	4	7
Gambling	7	1	1	**	2	2
Theme/Amusement Park	7	7	2	3	2	2
National State Park	7	9	3	4	4	6
Seminar Courses	6	4	4	5	4	4
Nightlife/Dancing	6	4	3	5	2	3
Attend Sports Event	6	4	6	4	5	3
Zoo/Aquarium/Science Museum	6	7	3	2	2	3
Water Sports/Boating	5	2	4	2	2	3
Performing Arts	4	4	2	3	2	2
Cultural Events/Festivals	3	2	1	3	2	2
Golf	2	2	3	1	1	3
Art Museums/Galleries	2	1	1	1	1	1
Winter Sports	1	**	**	**	**	1

**Red text indicates numbers dropped by 50%**

\* U.S. data are for the entire trip. State data are for in-state only.

\*\* Less than 0.5%

\*\*\* Household trips

NA = Not applicable

May not add to 100% due to rounding.

### **Visitor Profile**

Demographic profiles for 2004 visitors were similar across the five competitive states. The average traveler to these states was in their upper 40's and was generally college educated. Most trips were taken by families with incomes in the low to mid 60s. Roughly two-thirds of trips to these states were taken by households without children at home. These states also showed similar rankings of PRIZM social groups and clusters.

<b><u>2004 Annual</u></b>	<b><u>U.S.*</u></b>	<b><u>TN</u></b>	<b><u>AL</u></b>	<b><u>GA</u></b>	<b><u>KY</u></b>	<b><u>NC</u></b>
<b><u>Total Projected Household-Trips</u></b>	<b>687,749</b>	<b>23,697</b>	<b>14,196</b>	<b>26,751</b>	<b>14,816</b>	<b>27,261</b>
<b><u>Age of Household Head</u></b>						
18-34	29%	30%	31%	29%	30%	27%
35-54	41	40	37	42	43	43
55+	30	29	33	29	28	30
Average (mean) age	46	46	47	46	46	47
<b><u>Children in Household</u></b>						
None	66%	67%	67%	66%	68%	68%
One	15	15	11	17	15	14
Two	13	13	15	12	12	14
Three or more	6	5	6	5	5	4
<b><u>Marital Status</u></b>						
Married	62%	64%	61%	63%	63%	65%
Never married	23	22	21	22	23	20
Divorced, Widowed, Separated	15	15	18	15	15	15
<b><u>Annual Household Income</u></b>						
Less than \$50,000	41%	47%	46%	43%	48%	41%
\$50,000-\$74,999	21	22	22	22	21	24
\$75,000 or more	38	31	32	35	31	35
Mean	\$70,987	\$62,999	\$64,466	\$68,060	\$61,970	\$68,528
<b><u>Lifestage</u></b>						
Singles	22%	22%	21%	21%	22%	23%
Couples	33	32	33	35	33	35
Parents	42	43	42	41	41	40
Roommates	4	3	3	3	4	2
<b><u>Top Five PRIZM Clusters</u></b>						
Landed Gentry	15%	19%	17%	18%	20%	18%
Country Comfort	12	16	17	14	16	17
Middle America	10	16	14	12	12	14
Rustic Living	9	15	13	13	18	11
The Affluentials	10	6	6	6	8	8

# **APPENDICES**

## METHODOLOGY

TravelScope is a cooperative research effort, funded by states, cities and other participants and managed by the research department of the Travel Industry Association. Since 1994, TravelScope has collected visitor volume, market share, trip characteristics, and demographics for all U.S. resident travel.

To collect these data, TravelScope uses a mail panel of U.S. households operated by National Family Opinion (NFO) Research, Inc. Each month, a representative sample of 25,000 households is mailed a questionnaire that asks the total number of trips of 50 miles or more away from home and/or overnight trips taken in the previous month by all members of the household. On average, TIA obtains responses from 5,000 traveling households each month.

The panel has more than 550,000 households representing over 1.2 million people nationwide (or one in every 182 U.S. households) – the largest consumer panel in the industry. So that samples are representative of all U.S. households, the panel is selected to match the U.S. census population on five variables: census region of residence, market size of residence, age of household head, household income, and household size.

Respondents are asked to record details of up to three trips taken in the previous month. Specifically, the survey collects information on:

- primary and secondary purpose of trip,
- primary and secondary mode of transportation,
- the number of household members traveling (adults and children),
- whether the trip was a group tour,
- up to three states or countries visited on each trip,
- key cities/places visited in each state/country,
- the number of nights in each type of accommodation,
- trip expenditures, and
- activities.

TravelScope demographic information is collected from each responding household head via the NFO Research mail panel. The demographics reflect the profile of heads of household, although it is possible that someone else in the household is the traveler. Responses are sample-balanced to match the U.S. population, then they are projected to the household populations in each of the 48 contiguous United States.

The margin of sampling error for this survey (at the 95 percent confidence level) is plus or minus approximately 0.5 percentage points for the entire sample. Subgroups will have larger margins of error, depending on the number of households in the group. The sample size and margin of sampling error for Delaware is listed below. For example, if you have a confidence interval of 3 and 50% percent of your sample chooses a particular answer for a survey question, you can be 95 percent confident that if you had asked the question of the entire relevant population between 47% and 53% would have chosen that particular answer.

**Estimate of Sampling Error**

	<b><u>Sample Size</u></b>	<b><u>95 Percent Confidence Level</u></b>
Total Traveling Households	57,839	+/- 0.4%
Tennessee Visiting Households	2,147	+/- 2.11%

# TRAVELSCOPE SURVEY CARD

Please complete for each **pleasure/personal or business trip** taken in the month of **OCTOBER**— where you and/or other members of your household (HH) traveled **50 miles or more, one-way, away from home (including day trips) OR spent one or more overnights**. **DO NOT** include trips commuting to/from work or school or trips taken as a flight attendant or commercial vehicle operator.

**TOTAL # OF TRIPS IN OCTOBER:** \_\_\_\_ If you **DID NOT TRAVEL** for pleasure/personal or business, X here ☐, and return card.

(If more than 3 trips were taken, please record the information for your **3 most recent trips**. Record Trips #2 and #3 on Side 2.)

OCTOBER	Purpose (See Codes)	Transportation (See Codes)	Number Of HH Members Traveling	List States/ Countries Visited (X box if passed through only)	Key Cities & Places Visited In That State/Country	(X box if no nights)	# Nights In Each State/Country In:					Total \$ Spent Per State/ Country	Activities In State/ Country (See Codes)
							Hotel/ Motel/ B&B	Pri- vate Home	Condo/ Time Share	RV/ Tent	Other		
<b>Trip #1</b>			No. By Age	<input type="checkbox"/> 1.		<input type="checkbox"/>	#	#	#	#	#	\$	
Primary .....			0-17	<input type="checkbox"/> 2.		<input type="checkbox"/>	#	#	#	#	#	\$	
Secondary .....			18+	<input type="checkbox"/> 3.		<input type="checkbox"/>	#	#	#	#	#	\$	

**PURPOSE CODES**

1= Visit friends/relatives  
2= Outdoor recreation  
3= Entertainment/Sightseeing  
4= Other pleasure/personal  
5= Business-General (e.g., Consulting, Service)  
6= Business-Convention/Conference/Seminar  
7= **Combined** Business/pleasure

**TRANSPORTATION CODES**

1= Own Auto/ Truck  
2= Rental car  
3= Camper/RV  
4= Ship/Boat  
5= Airplane  
6= Bus  
7= Motor-coach  
8= Train  
9= Other

**ACTIVITY CODES**

01= Historic places, sites, museums  
02= Performing Arts (e.g., Concerts, Plays, Stage shows)  
03= Cultural Events/Festivals  
04= Art museums/Galleries  
05= Outdoor (e.g., hunt, fish, hike, bike, camp)  
06= Shopping  
07= Nightlife/Dancing  
08= Beach activities  
09= National/State park  
10= Attend sports event  
11= Gambling  
12= Water sports/Boating  
13= Golf  
14= Theme/Amusement park  
15= Zoo/Aquarium/Science Museum  
16= Winter sports (e.g., skiing)  
17= Rural sightseeing  
18= City/Urban sightseeing  
19= Seminar/Courses  
20= Attend a social/family event (e.g., wedding, funeral, graduation)

CONTINUE ⇨

OCTOBER	Purpose (See Codes)	Transportation (See Codes)	Number Of HH Members Traveling	List States/ Countries Visited (X box if passed through only)	Key Cities & Places Visited In That State/Country	(X box if no nights)	# Nights In Each State/Country In:					Total \$ Spent Per State/ Country	Activities In State/ Country (See Codes)
							Hotel/ Motel/ B&B	Pri- vate Home	Condo/ Time Share	RV/ Tent	Other		
<b>Trip #2</b>			No. By Age	<input type="checkbox"/> 1.		<input type="checkbox"/>	#	#	#	#	#	\$	
Primary .....			0-17	<input type="checkbox"/> 2.		<input type="checkbox"/>	#	#	#	#	#	\$	
Secondary .....			18+	<input type="checkbox"/> 3.		<input type="checkbox"/>	#	#	#	#	#	\$	
<b>Trip #3</b>			No. By Age	<input type="checkbox"/> 1.		<input type="checkbox"/>	#	#	#	#	#	\$	
Primary .....			0-17	<input type="checkbox"/> 2.		<input type="checkbox"/>	#	#	#	#	#	\$	
Secondary .....			18+	<input type="checkbox"/> 3.		<input type="checkbox"/>	#	#	#	#	#	\$	

**PURPOSE CODES**

1= Visit friends/relatives  
2= Outdoor recreation  
3= Entertainment/Sightseeing  
4= Other pleasure/personal  
5= Business-General (e.g., Consulting, Service)  
6= Business-Convention/Conference/Seminar  
7= **Combined** Business/pleasure

**TRANSPORTATION CODES**

1= Own Auto/ Truck  
2= Rental car  
3= Camper/RV  
4= Ship/Boat  
5= Airplane  
6= Bus  
7= Motor-coach  
8= Train  
9= Other

**ACTIVITY CODES**

01= Historic places, sites, museums  
02= Performing Arts (e.g., Concerts, Plays, Stage shows)  
03= Cultural Events/Festivals  
04= Art museums/Galleries  
05= Outdoor (e.g., hunt, fish, hike, bike, camp)  
06= Shopping  
07= Nightlife/Dancing  
08= Beach activities  
09= National/State park  
10= Attend sports event  
11= Gambling  
12= Water sports/Boating  
13= Golf  
14= Theme/Amusement park  
15= Zoo/Aquarium/Science Museum  
16= Winter sports (e.g., skiing)  
17= Rural sightseeing  
18= City/Urban sightseeing  
19= Seminar/Courses  
20= Attend a social/family event (e.g., wedding, funeral, graduation)

## GLOSSARY OF TERMS

<b>Activities</b>	<p>TravelScope gathers information on 20 different activity categories:</p> <ol style="list-style-type: none"> <li>(1) visiting historic places, sites, museums</li> <li>(2) attending performing arts events (e.g., concerts, plays, stage shows)</li> <li>(3) attending cultural events or festivals</li> <li>(4) visiting art museums or galleries</li> <li>(5) outdoor activities (e.g., hunt, fish, hike, bike, camp)</li> <li>(6) shopping</li> <li>(7) engaging in nightlife activities or dancing</li> <li>(8) beach activities</li> <li>(9) visiting national or state parks</li> <li>(10) attending sports events</li> <li>(11) gambling</li> <li>(12) water sports or boating</li> <li>(13) playing golf</li> <li>(14) going to theme or amusement parks</li> <li>(15) visiting zoos, aquariums, or science museums</li> <li>(16) winter sports (e.g., skiing)</li> <li>(17) rural sightseeing</li> <li>(18) city/urban sightseeing</li> <li>(19) taking seminars or courses</li> <li>(20) attending a social or family event (e.g., wedding, funeral, graduation)</li> </ol>
<b>Annual Household Income</b>	The total combined annual income of the household before taxes.
<b>Business Trip</b>	Any trip where the primary purpose of the trip is given as “business,” “convention/seminar,” or “combined business/pleasure.”
<b>Census Region of Origin/Destination</b>	Regional breakdowns as defined by the U.S. Bureau of Census:
Northeast	<p>New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.</p> <p>Mid-Atlantic: New Jersey, New York and Pennsylvania</p>
South	<p>South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia and West Virginia.</p> <p>East South Central: Alabama, Kentucky, Mississippi and Tennessee.</p> <p>West South Central: Arkansas, Louisiana, Oklahoma and Texas.</p>

Midwest	<p>East North Central: Illinois, Indiana, Michigan, Ohio and Wisconsin</p> <p>West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota.</p>
West	<p>Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming.</p> <p>Pacific: California, Oregon and Washington. (Alaska and Hawaii as destinations only)</p>
<b>Designated Market Area (DMA)</b>	Designated Marketing Areas (DMAs) are areas of television coverage defined by counties that are based on surveys conducted by Nielsen Media Research. A DMA is often larger than a Metropolitan Statistical Area (MSA).
<b>Group Tour</b>	Respondent checked “yes” for group tour (definition not given).
<b>Household</b>	Comprises all persons who occupy a “housing unit”, that is, a house, an apartment, or other group of rooms, or a room that constitutes separate living quarters.
<b>Leisure Trip</b>	Any trip where the primary purpose of the trip is given as “visit friends or relatives, outdoor recreation, entertainment (e.g., sightseeing, sports), or personal.”
<b>Length of Stay</b>	The number of nights spent on entire trip.
<b>Lifestage</b>	Lifestage groups are based on household size and composition (e.g. number of members, marital status, and presence of children), age of household head, and employment of household head.
Young Singles:	1 Member Household Age of Head Under 35
Middle Singles:	1 Member Household Age of Head from 35 to 65
Older Singles:	1 Member Household Age of Head over 65
Young Couple:	Multi member Household Age of Head Under 45 Married or Non-related Individual(s) of opposite sex 18+ present No children present

Working Older Couple:	Multi member Household Age of Head 45 and over Head of Household Employed Married or Non-related Individual(s) of Opposite Sex 18+ Present No Children Present
Retired Older Couple:	Multi member Household Age of Head 45 and Over Head of Household Not Employed No Children Present Married or Non-related Individual(s) of Opposite Sex 18+ Present
Young Parent:	Multi member Household Age of Head Under 45 Youngest Child Under 6
Middle Parent:	Multi member Household Age of Head Under 45 Youngest Child 6+
Older Parent:	Multi member Household Age of Head 45+ Child at Home-- Any Age
Roommates:	Unmarried Head of Household Living with a Non-relative 18+ of Same Sex
<b>Lodging</b>	Information is gathered on five lodging categories: (1) hotel/motel/b&b; (2) private home; (3) condominium/time share; (4) recreational vehicle/tent; and (5) other.
<b>Mode of Transportation</b>	Each trip is classified according to the respondent's answer to the question, "Primary and secondary transportation (mode)." See air mode and auto mode.
<b>Nights Away from home</b>	The number of nights spent away from home on one trip, including nights spent at the destination and en route. It is possible for a trip not to involve an overnight stay if the traveler took a trip of 50 miles or more, one-way, and returned home the same day.
<b>Number of Household Members on Trip</b>	Number of household members on a trip, including the respondent.
<b>Person-Trip</b>	A person on a trip. If three persons from a household go together on one trip, their travel counts as one trip and three person-trips. If three persons from this household take two trips, they account for six person-trips. ( A trip is counted each time one or more members of a household travel 50 miles or more, one-way, away from home or spends one or more overnights and returns.)

**Purpose of Trip**

Each trip is classified according to the respondent's answer to the questions "primary and secondary purpose" with these categories: (1) visit friends or relatives, (2) outdoor recreation, (3) entertainment (e.g., sightseeing, sports), (4) combined business/pleasure, (5) convention/seminar, (6) business, (7) personal, (8) other.

**Trip**

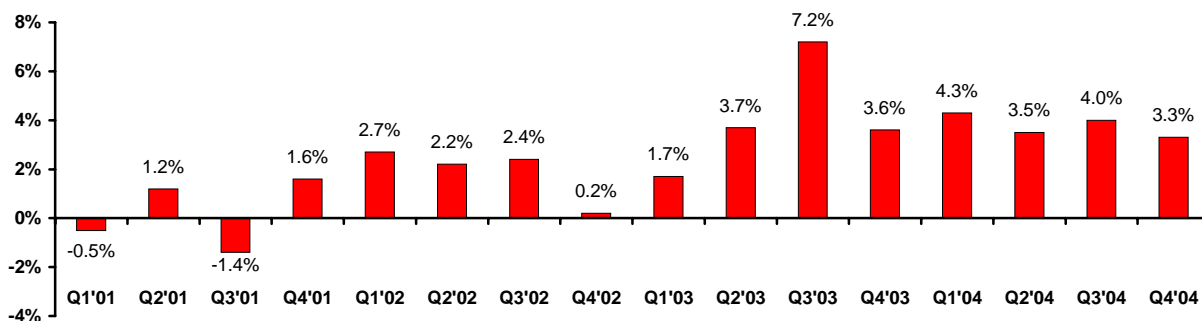
A household trip. The term "household trips" counts the number of trips taken by U.S. households in a year. To qualify, a "household trip" must be 50 miles or more, one-way, away from home or include one or more overnights. Respondents are instructed to not include trips commuting to/from work or school or trips taken as a flight attendant or vehicle operator.

## ECONOMIC/TRAVEL INDICATORS

### The Economy

The U.S. economy registered stronger than expected growth in the last three months of the year, taking the 2004 annual growth rate in real Gross Domestic Product (GDP) to 4.2 percent, the strongest growth in five years. Examining quarterly change in GDP shows that in the first quarter of 2004, real GDP growth reached 4.3 percent, falling to 3.5 percent in the second quarter. In the third quarter, however, real GDP growth climbed to 4.0 percent. The rate of growth, however, slowed in the fourth quarter to 3.3 percent.

**REAL GROSS DOMESTIC PRODUCT  
PERCENT CHANGE FROM PRECEDING PERIOD, 2001-2004  
(based on chained 2000 dollars)**

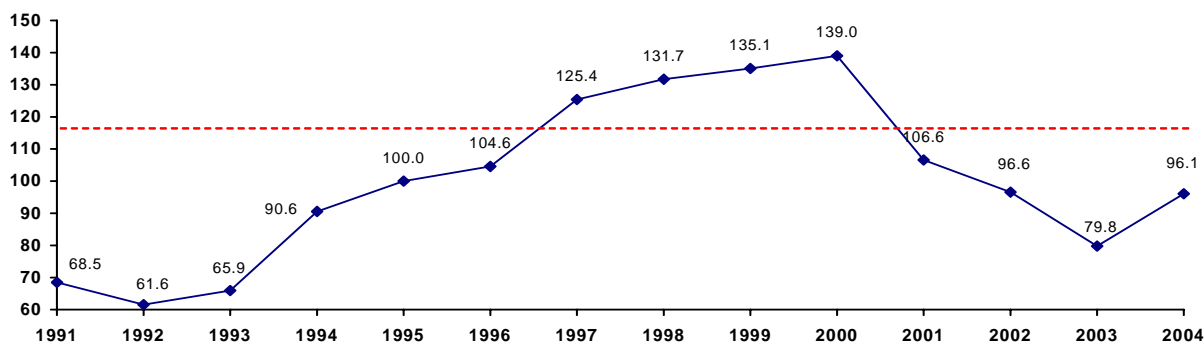


Source: Bureau of Economic Analysis

### Consumer Confidence

Consumer confidence, as measured by the Conference Board's *Consumer Confidence Index* (CCI), showed a decline of 9.4 percent from January to February 2004. However, the index climbed to 105.7 in July, the highest point of the year. The CCI began a steady decline in the last half of the year, falling to 92.6 in November. However, the CCI turned around and climbed to 102.7 in December—an increase of 10.9 percent over November. The average for 2004 was 96.1 (1985 base level = 100), showing significant growth of 20.4 percent from the annual average for 2003 (79.8).

**CONSUMER CONFIDENCE INDEX\*  
1991-2004**



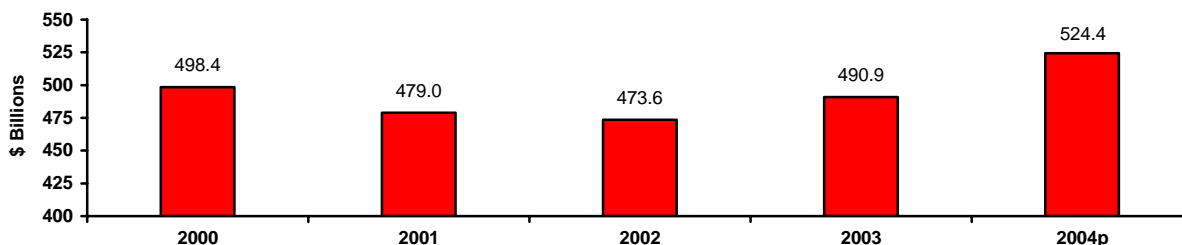
\* Average monthly index

Source: The Conference Board, 1985 = 100

### Travel Expenditures

TIA estimates that overall domestic travel expenditures by U.S. residents increased 6.8 percent for the year to \$524.4 billion. Indeed, overall domestic travel expenditures by U.S. residents also surpassed the 2001 figure (+9.5%) and the previous record of \$498.4 billion set in 2000 (+5.2%). Total domestic expenditures increased by 2.8 percent in 2003 over 2002.

**TRAVEL EXPENDITURES IN THE U.S. 2000- 2004p**



p = preliminary.

Source: Travel Industry Association of America

### Traveler Sentiment Index

In the first quarter of 2004, TIA's *Traveler Sentiment Index*\* (TSI) stood at 98.0, up from 94.4 in the fourth quarter of 2003. The TSI fluctuated throughout the year, ending the year with a reading of 96.3 in the fourth quarter. This was a 1.7 percent drop from first quarter 2004.

